

Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 12153 211349Z
ACTION NEA-10

INFO OCT-01 ISO-00 EUR-12 CIAE-00 DODE-00 PM-05 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02
SS-15 USIA-06 COME-00 EB-07 LAB-04 SIL-01 IO-13
CU-02 DIWY-01 AID-05 IGA-02 ACDA-07 OMB-01 TRSE-00
MCT-01 FEA-01 AGRE-00 /114 W
-----016622 212118Z /63

R 211238Z JUL 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 7511

LIMITED OFFICIAL USE CAIRO 12153

E.O. 11652: NA
TAGS: PINT ECON EG
SUBJ: GOE REPLIES TO NASSERIST CRITICISM

REF: CAIRO 11880

1. DURING JULY 16 SPEECH BEFORE ASU CENTRAL COMMITTEE, NASSERIST MEMBER PEOPLES ASSEMBLY KAMAL AHMED CHALLENGED PRESIDENT SADAT ON OPEN DOOR POLICY (PARA 8 CAIRO REFTTEL). AHMED SAID OPEN DOOR DOES NOT SERVE INTEREST OF WORKERS OR FARMERS, RATHER IT IS "POLICY OF CONSUMPTION." ON JULY 20 CAIRO'S LEADING DAILY, AL AHRAH, PUBLISHED EXPLICIT REBUTTAL TO "NASSERIST MEMBER'S" CRITICISM IN FORM OF INTERVIEW WITH GAMAL AL-NAZER, DEPUTY CHAIRMAN, ARAB AND FOREGIN INVESTMENT AND FREE ZONE AUTHORITY. AL-NAZER BEGAN INTERVIEW BY SPEAKING TO AHMED'S IMPLIED CRITICISM OF SADAT'S COOPERATION WITH WEST. HE POINTED OUT THAT SINCE 1970 SOVIET UNION HAS PROVIDED EGYPT WITH ONLY ABOUT \$145 MILLION WORTH OF ECONOMIC ASSISTANCE. THIS CONTRASTS SHARPLY WITH U.S. ASSISTANCE IN LAST THREE YEARS OF \$2.4 BILLION.

2. AL-NAZER WNET ON TO GIVE DETAILS OF INVESTMENT PROJECTS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CAIRO 12153 211349Z

WHICH HAD BEEN APPROVED BY INVESTMENT AUTHORITY. AUTHORITY HAS APPROVED THUS FAR 685 PROJECTS REPRESENTING POTIAL INVESTMENT OF LE 1,053 MILLION (LE 1 EQUALS \$2.56 AT OFFICIAL RATE). AGAINST AHMED'S CRITICISM THAT INTERESTS OF WORKERS AND FARMERS ARE NOT SERVED, AL-NAZER NOTED DIVISION OF APPROVED PROJECTS INTO INDUSTRIAL AND NON-INDUSTRIAL (INCLUDING HOUSING AND AGRICULTURE) CATEGORIES.

TOTAL OF 192 PROJECTS FALL IN INDUSTRIAL SECTOR, AMOUNTING TO TOTAL PLANNED INVESTMENT OF LE 329.5 MILLION. FOREIGN EXCHANGE COMPONENT OF THIS INVESTMENT AMOUNTS TO LE 177.3 MILLION. INCLUDED IN THESE ARE PROJECTS IN FOLLOWING CATEGORIES: SPINNING AND WEAVING, FOODSTUFFS, METALURGY, ENGINEERING AND CHEMICALS.

3. IN "NON-INDUSRTIAL" SECTOR, PROJECTS HAVE BEEN APPROVED IN CATEGORIES OF ANIMAL HUSBANDRY, CONSTRUCTION AND TRANSPORT. IN ADDITION, 28 BANKING PROJECTS INVOLVING CAPITAL FUNDS TOTALLING LE 47.6 MILLION HAVE BEEN IMPLEMENTED. ALSO APPROVED ARE 72 TOURIST PROJECTS WITH AGGREGATE CAPITAL OF LE 340.2 MILLION (EQUIVALENT TO ONE-THIRD THE VALUE OF ALL APPROVALS.)

4. ACCORDING PRESS ACCOUNTS, THERE ARE 61 PROJECTS CURRENTLY STILL UNDER CONSIDERATION WITH CAPITAL OF LE 104.8 MILLION; 108 PROJECTS IN PROCESS OF BEING IMPLEMENTED, FOR TOTAL LE 248.2 MILLION. SIXTY-FIVE PROJECTS HAVE ALREADY STARTED PRODUCTION, WITH AGGREGATE INVESTMENT OF LE 35.2 MILLION. (AL-NAZER HAS PROMISED US COPY OF HIS DETAILED REPORT.)

5. COMMENT: AL-NAZER'S FRANK STATEMENT OF CURRENT STATE OF INVESTMENT PROJECTS IS INTERESTING REPLY TO NASSERIST CRITICISM. CERTAINLY FACT THAT THUS FAR PROJECTS WORTH ONLY LE 35.2 MILLION HAVE BEEN FULLY IMPLEMENTED IS NOT RESOUNDING EVIDENCE SUCCESS OF OPEN DOOR POLICY, NOTWITH- LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CAIRO 12153 211349Z

STANDING INTENT OF INTERVIEW. THE GROSS NUMBERS OF PLANNED INVESTMENT LOOK GOOD IN THE PAPERS, HOWEVER. EILTS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SPEECHES, COMMUNIST ECONOMIC AID, FOREIGN ASSISTANCE, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO12153
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770260-0197
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770735/aaaabdrk.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9cec6d66-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CAIRO 11880
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1795289
Secure: OPEN
Status: NATIVE
Subject: GOE REPLIES TO NASSERIST CRITICISM
TAGS: PINT, ECON, EINV, EAID, EG, UR, US, (AHMED, KAMA), (AL-NAZER, GAMAL)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9cec6d66-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009